

Trendlines

November/December 2008

Perspectives on Utah's Economy

Utah's Economic Characteristics

New American Community Survey Data

Employment Dynamics 101

Rising Unemployment in a Stressed Labor Market

Strong Utah Economic Growth Raised Household Incomes



Department of Workforce
Services



Trendlines

is published every other month by the Utah Department of Workforce Services, Workforce Development and Information Division. To read, download, or print this publication (free), see our Internet site: <http://jobs.utah.gov/wi>. Click on "Publications" then select the one you want from the drop-down menu.

To obtain additional printed copies or to subscribe to *Trendlines* contact:

Department of Workforce Services

Attn: WDID

140 East 300 South

Salt Lake City, UT 84111

Telephone: (801) 526-9462

Fax: (801) 526-9238

Email: wipublications@utah.gov

The Workforce Development and Information Division generates accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce environments that support sound planning and decision-making.



DWS-03-44-1108

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities by calling (801) 526-9240. Individuals with speech and/or hearing impairments may call the Relay Utah by dialing 711. Spanish Relay Utah: 1-888-346-3162.

Trendlines

Utah Department of Workforce Services

Executive Director

Kristen Cox

Workforce Development and Information

Stephen Maas, Director

Stacey Floyd, Assistant Director

Contributors

Mark Knold

Michael Hanni

John Mathews

Jim Robson

Lecia Langston

Linda Marling Church

Paul Peterson

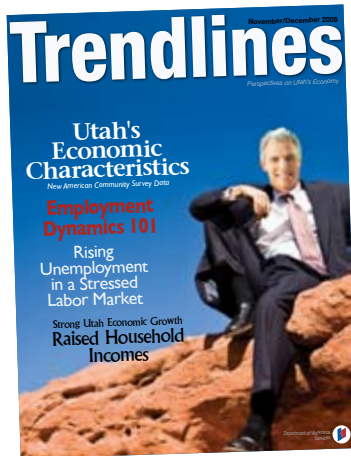
Coordination

Connie Blaine

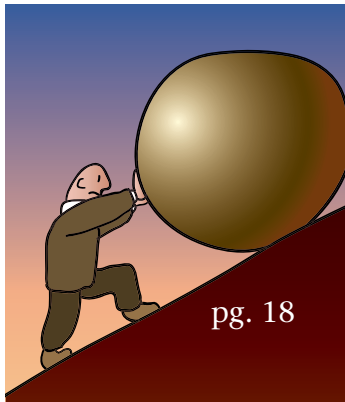
Designer

Pat Swenson

jobs.utah.gov



Utah's Economic Characteristics: New American Community Survey (ACS) data



contents

4

A Tale of Two Economies?
Wasatch Front and Statewide

6

Strong Utah Economic Growth Raised
Household Incomes
The Outlook

8

Employment Dynamics 101
What's Happening

12

Educational Attainment in Utah
Economic News

14

Look to the Stars
Utah's Occupational Projections 2006-2016
Economic Insight

16

Of Firms Both Large & Small
Insider News

18

Rising Unemployment in a Stressed
Labor Market
National News

20

Construction Blues: On and Off the
Wasatch Front
The Outskirts

22

Managing Human Capital
Occupations

24

Show Me the Facts!
Our Guest

26

Piute County
County Highlight

27

Just the Facts...
Rate Update

A Tale of Two Economies?

Yes, such a dichotomy exists in Utah.

Often when one enters into a dialogue about the Utah economy, one person will ask a question about the health of the rural Utah economy. This question implies that Utah has two economies at work—the economy of its metropolitan area, and that of its remaining “rural” counties. There is actually strong evidence to suggest that such a dichotomy exists. Roughly 80 percent of the state’s economy is concentrated in a geography that encompasses only 20 percent of the state’s land mass (the metropolitan area). The state economy’s remaining 20 percent stretches across 80 percent of the land mass. Given Utah’s size, that makes for some economic activity that is isolated and beyond the sphere of the metropolitan core.

History shows that, over the long run, these “metro” and “rural” economies largely move in unison. When the metro area grows, growth and prosperity also spill into the rural communities. But in short-run environments, these economies may not perform in unison—such as they are doing now.

The main Utah employment story of the past four years was a residential construction boom and how much it added to the Utah employment picture. But what was booming has now gone bust. If you were a Utah county that experienced a housing boom, then you are currently a Utah county with a housing bust. Because of that, there is a difference in terms of how the individual Utah coun-

ties are currently fairing. There is a marked rural-vs.-metro economic performance dichotomy currently underway. Rural economies, which didn’t see much in the way of a housing boom, are still performing relatively well. Conversely, metropolitan counties, where the housing boom resided, are stumbling and, in many cases, are already on the negative side of the employment ledger. These include Davis, Utah, Washington, Tooele, Morgan, Wasatch, and Iron counties (Salt Lake isn’t far behind). Currently, it’s a tale of two economies. ■



DID YOU KNOW?

- Utah's job growth stalled at 0.3 percent in August, the lowest monthly employment growth rate since August 2003.
<http://deseretnews.com/article/1,5143,700259388,00.html>
- Uranium mining will resume at two underground mines on claims in Grand County, Utah, and Mesa County, Colo.
<http://deseretnews.com/article/1,5143,700258421,00.html>
- The Governors Office of Economic Development says the economic impact of the film industry was \$138 million in the past year.
http://www.sltrib.com/news/ci_10488722

Rural economies, which didn't see much in the way of a housing boom, are still performing relatively well.

Strong Utah Economic Growth Raised Household Incomes

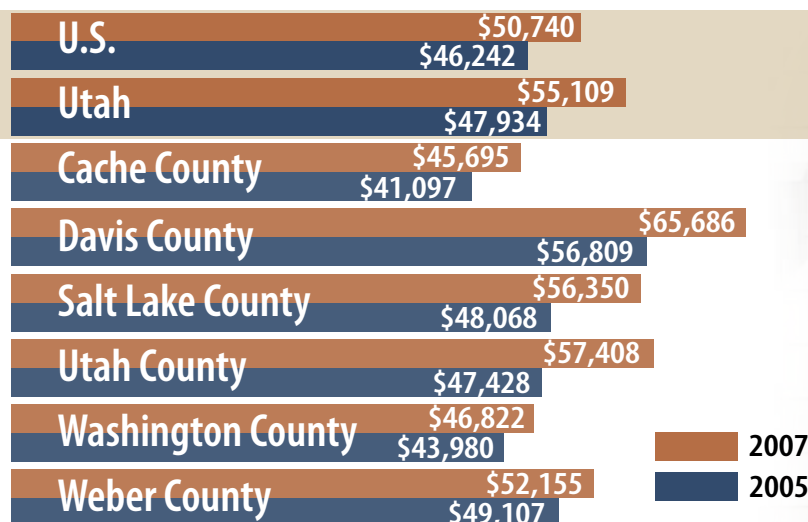
Every year Census personnel collect information from almost 15,000 households statewide in Utah.

The last three years, 2005 through 2007, have been very positive for the Utah economy—characterized by strong employment growth and low unemployment. In fact, for 2006—the most robust year of this expansion—statewide nonfarm payroll employment increased by almost six percent and the unemployment rate dipped to an unprecedented low rate of 2.9 percent for the year.

When the economy expands robustly, jobs are plentiful and unemployment is low, one question of interest is—does this translate into household income increases?

Since 2005, the Census Bureau has been releasing a host of new annual estimates of demographic, social, and economic data from the relatively new American Community Survey (ACS) for

Median Household Income: 2005 and 2007



Utah and its six largest counties (those with populations of 65,000 inhabitants or more). Each year as part of the ACS, Census personnel have been collecting information from almost 15,000 households statewide in Utah. Sample sizes are reasonably large in six of Utah's counties, to make relatively reliable estimates.

Results from ACS show that median household income in Utah increased 15.0 percent, from \$47,934 in 2005 to \$55,109 in 2007. During this same two-year period the Consumer Price Index increased by 6.1 percent. Nationally, median household income grew by 9.7 percent from \$46,242 in 2005 to \$50,740 in 2007. Recall that the median is the value that separates a series of numbers in half—the middle. Median household income is the income value for which one-half of the households


have more income than the middle figure and one-half of the households have less income.

Utah's three most populous counties—Salt Lake, Utah, and Davis—exhibited phenomenal median household income growth of 17.2 percent, 21.0 percent, and 15.6 percent respectively. Davis County also had the highest median household income in 2007, of \$65,686, among Utah's six largest counties.

From the 2007 survey, the Census Bureau also published a summary measure of income inequality, the Gini index. It indicates how much the income distribution differs from one where every household had the same income. The Gini index can vary from 0 to 1, where 0 indicates perfect equality—every household has the

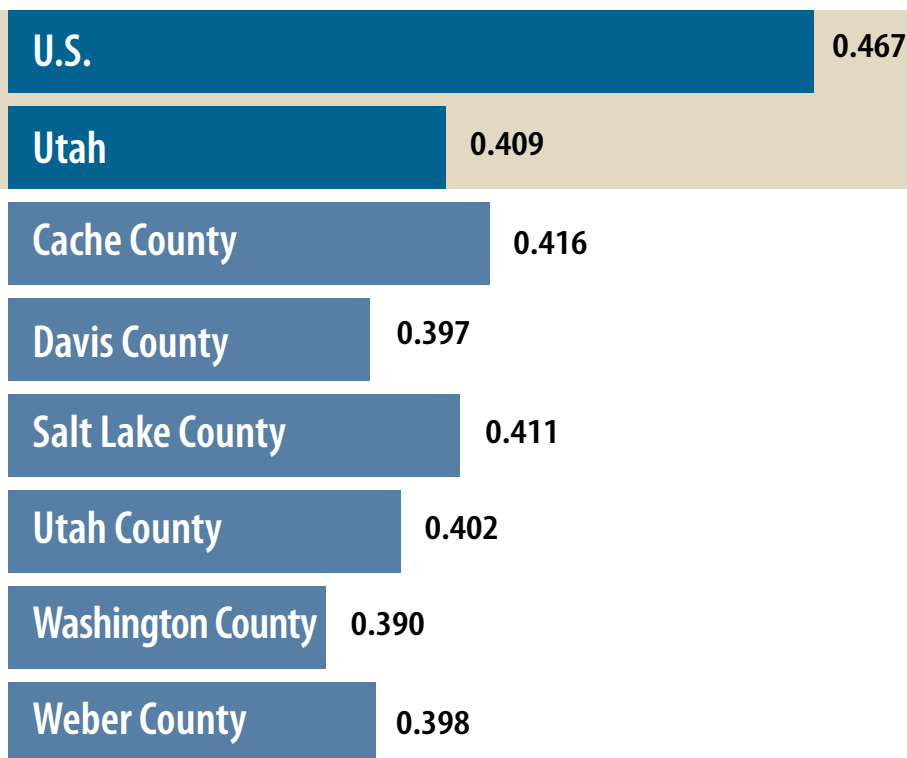
same income, and 1 indicates perfect inequality—one household has all the income and all other households have none.

For the 50 states, the 2007 household income Gini index range from the least inequality measure of 0.409 for Alaska and Utah, to a measure of 0.500 for New York having the most inequality of household income distribution.

The strong economic expansion in Utah from 2005 to 2007 seems to have had the desired effect for Utah households, raising incomes faster than the rate of inflation. In addition, Utah is tied with Alaska in 2007 as the states with the most equal distribution of household income. 

Household Income Gini Index in 2007

The Gini index is a summary measure of income inequality.

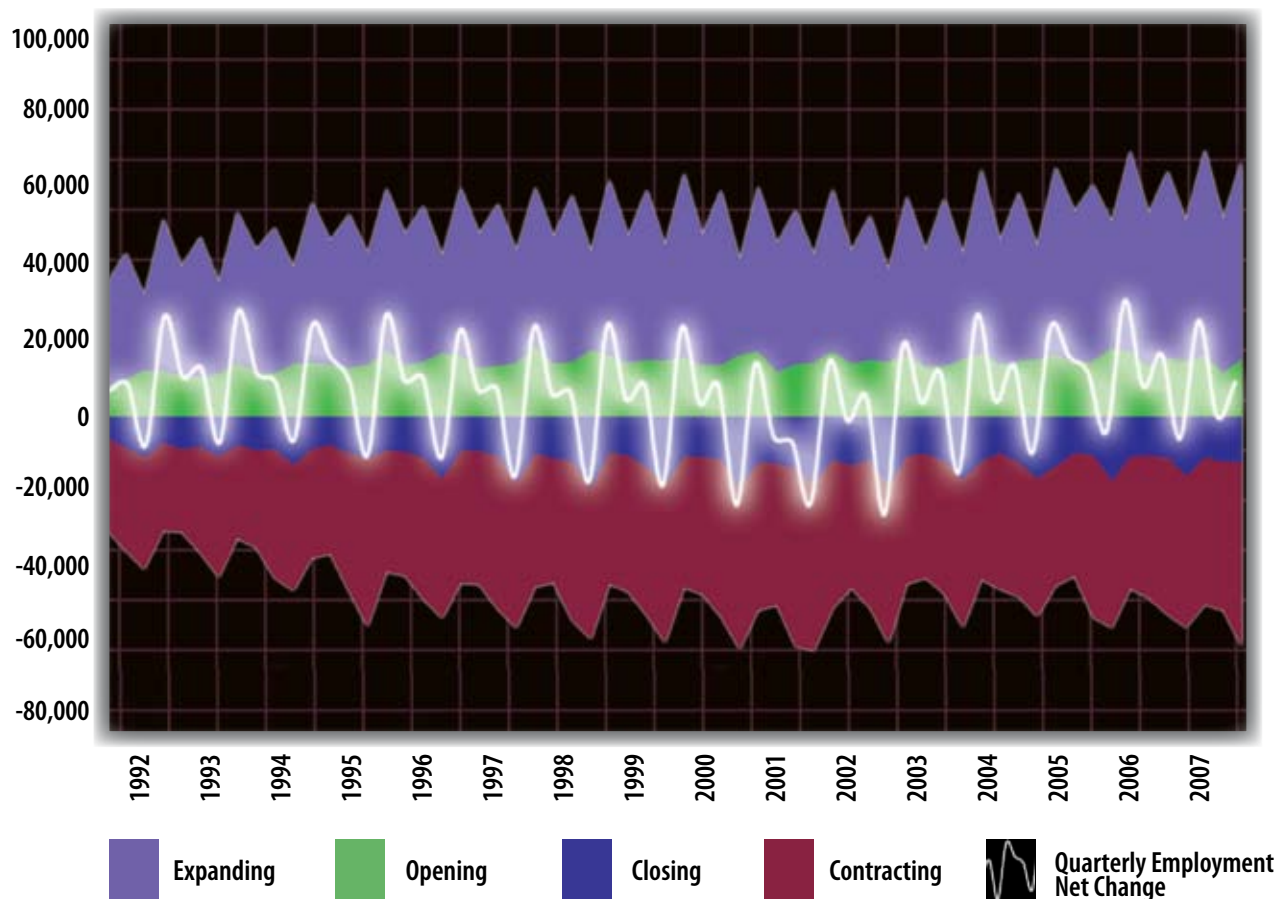


Source: U.S. Census Bureau, American Community Survey.

Employment

Dynamics 101

Volume of Job Flows 1992–2007



Note: Elements in chart are not stacked. LED and BED data differ due to methodological differences.

Source: Bureau of Labor Statistics, Business Employment Dynamics (BED) data, private sector, not seasonally adjusted.

It isn't often the case that we can actually take the pulse of the economy and get a feel for just how dynamic it actually is. Luckily, with the release of two new data sources, it is possible to get under the skin of the economy, as it were, and get a glimpse—perhaps for the first time—of some of the complexity below the surface. What the new data confirms is that the economy is indeed a dynamic animal, but it also shows that the level and speed of change occurring in the economy is nothing short of breathtaking. This realization may change how economists and policymakers view the economy and their roles in helping the workforce confront the challenges of the 21st century.

The World as Seen from BED

Year-over, or even quarter-over job growth figures, which are the bread and butter of labor market analysis, only reveal the net change in the number of jobs in the economy in a particular period. Alas, they don't say anything about the complex web of reshuffling of jobs that is occurring each and every day. Thankfully, data from the new Business Employment Dynamics (BED) program of the Bureau of Labor Statistics is alleviating this shortcoming.

To make sense of BED data it may help to visualize it in a different light. Imagine a typical DWS employment report, which describes a quarter-to-quarter change in employment, as defining the number of new chairs being added to—or removed from—the ballroom in the Salt Palace Convention Center in Salt Lake City. (For the sake of the exercise we are going to talk about quarter-to-quarter change because that is how the BED data is structured, instead of the normal year-over change used in the DWS employment report.) So far, so good—DWS typically reports how many jobs the economy gained or lost. However, here is where things start getting interesting. As we are adding new chairs to the ballroom, imagine that at the same time thousands of groups of chairs—which represent establishments in Utah—are in the process of changing. Some groups are adding chairs, some are giving up chairs; some groups are disappearing entirely, while others are being formed anew in their wake. Those establishment changes are what the new BED data captures.

Putting numbers to that image gives some perspective to just how much churn in the number of jobs in Utah's economy. In the second quarter of 2007 in Utah there were roughly 27,325

**“Creative
destruction
is the essential fact about
capitalism. It is what
capitalism consists in
and what every capitalist
concern has got to live in.”**

—Joseph Schumpeter

more jobs than the previous quarter—a respectable seasonal increase. However, in that same period there were more than 90,000 new positions created through establishments expanding or opening. On the other side of the ledger, there were roughly 63,000 positions that were lost due to establishments contracting or closing. To tie that back to our mental picture, between the first and second quarters of 2007, nearly 154,000 chairs were shuffled in Utah's economy.

How many establishments are involved in this churn? The numbers might surprise you. In the second quarter of 2007, fully 34.2 percent of private establishments in Utah saw job gains due to expansion or by opening.

continued on page 10



Another 24.5 percent saw contractions or closed in the same time period. That means nearly 60 percent of all private establishments in the state experienced some churn in their number of chairs—jobs—during the second quarter of 2007. That is a tremendous amount of labor market activity for a net gain of 27,325 jobs between quarters. What is even more remarkable is that a comparable amount of activity occurs when the economy loses jobs. The data clearly shows that the market is always churning at an incredible rate.

From Chairs to People with LED

BED data reveals just how much churn occurs in establishments between quarters. As we have seen, not only does the number of jobs in the economy change from quarter to quarter, but their distribution in individual establishments is also highly dynamic from period to period. However, in a sense, so far we have only been talking about the chairs that workers occupy, not the workers themselves. In any given quarter, any given job may be filled by a number of different workers. So while BED shows us how the chairs are constantly being rearranged within the economy, we are in need of a measure of how many people sit in those chairs during a given quarter. Data from the Local Employment Dynamics (LED) program of the U.S. Census Bureau provides some insight

into this important aspect of Utah's dynamic economy.

In the second quarter of 2007, while a significant number of jobs—or chairs, if you prefer to stick with our mental image—changed, an even larger number of individuals sat in those chairs—some for the entire quarter, others for only a few days. LED data shows that during the quarter there were more than 280,000 new-hire events recorded at private establishments, with roughly 255,000 separations also being recorded. To put that in perspective, private establishments in Utah added roughly 50,000 positions for all of 2007, but to get there required more than one million new-hire events throughout the year (and a similar number of separations). That is a lot of people hopping on and off a lot of chairs—think of a Chinese fire drill on a massive scale, being played out every day of the year.

Why does Economic Dynamism Matter?

Joseph Schumpeter, writing in 1942, called this dynamic nature of the economy, “creative destruction,” and he went on to say that it was, “the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in.” With that in mind it is more important than ever to recognize and appreciate

the dynamic forces at play within our own economy. As BED and LED data show, Utah's economy experiences a relatively large amount of “creative destruction” on a quarterly basis. For the state's workers this represents an opportunity—and a challenge. While a dynamic economy creates many opportunities for individuals to explore their talents and try new things, it also can drop them—cruelly sometimes—from its rolls when it moves on. As Alan Greenspan has noted, “The problem with creative destruction is that it is destruction, and there is a very considerable amount of turmoil that goes on in the process.”

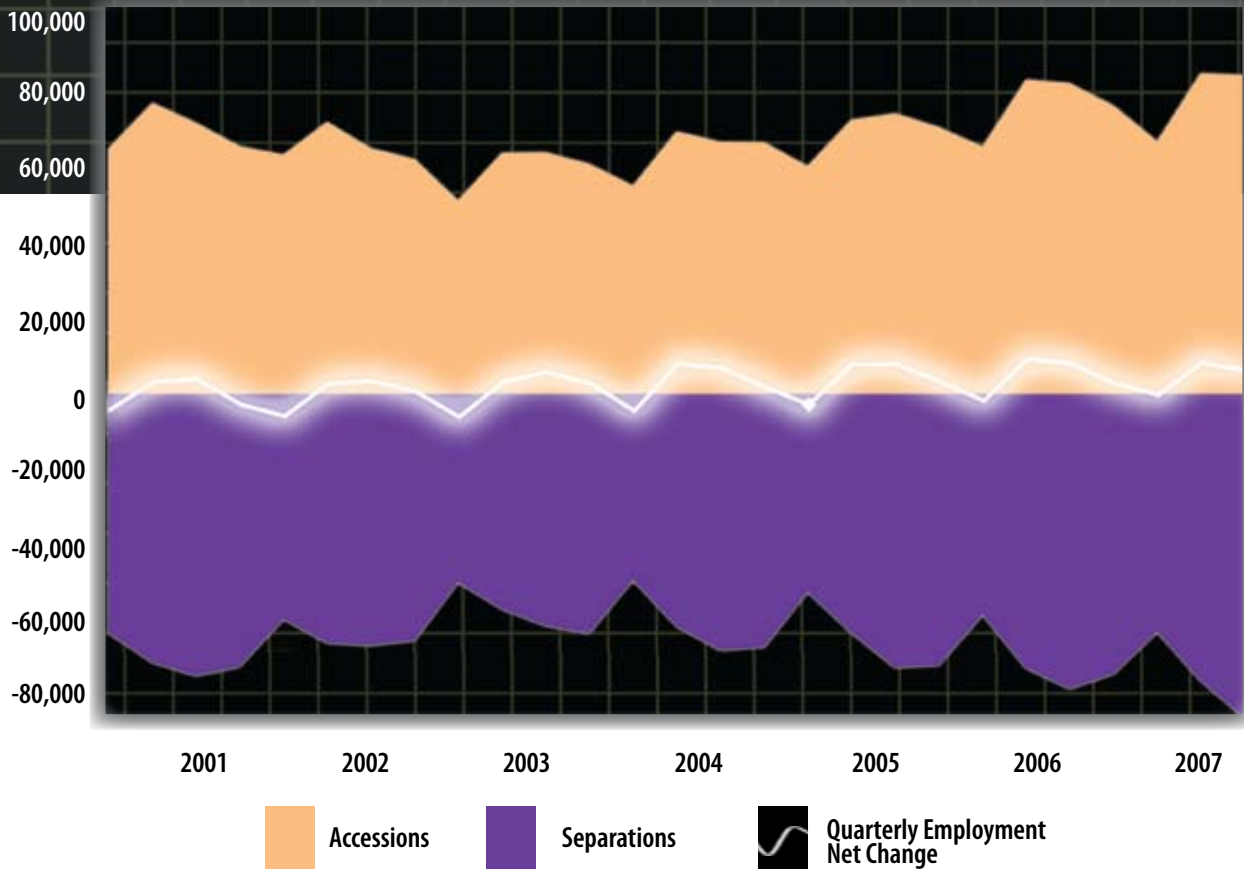
The message to take away from this review of employment dynamics data for Utah's workers, current and future, is plain: the more skilled and flexible workers are, the more able they are to meet the demands of a dynamic workplace, the more successful they will be in the future. For example, no one career path will ensure future success of the child in school today. There are just too many unknowns. But, if that child learns how to learn as well as becoming proficient in math, reading, and science, they will have the tools to surmount the challenges they will surely face in our dynamic labor market. There is no need for them to be victims of creative destruction; rather they should harness it to their advantage—and ours. 📌



Resources

- Joseph A. Schumpeter. *Capitalism, Socialism and Democracy* (1942).
- Alan Greenspan. Comments given before the Senate Committee on Banking, Housing, and Urban Affairs. July 21, 2005.

Volume of Worker Flows



*Note: Elements in chart are not stacked. LED and BED data differ due to methodological differences.
Source: U.S. Census Bureau, Local Employment Dynamics (LED) data, private sector, not seasonally adjusted.*

If a person learns how to learn as well as becoming proficient in math, reading, and science, they will have the tools to surmount the challenges they will surely face in our dynamic labor market.

Educational Attainment in Utah

*How far up the
learning ladder
are people in
Utah?*

Utah values education, and that fact is clear once you take a look at the data from the American Community Survey (ACS). The state is young and educated, which makes Utah one of the most desirable places to locate a business that relies on a well-educated and trained workforce.

One of the questions the ACS asks individuals is how much education they have acquired. Although there are seven educational attainment groups, they are collapsed into four (see the graph categories). This analysis includes a look at the educational attainment of the population age 25 or older, in Utah and six of its counties. Currently, The ACS only publishes data for those counties with populations of 65,000 or higher.

Utah is one of the most highly educated states in the country. In 2006,

the percentage of Utahns with a high school diploma or higher was 90.5. For the U.S. that proportion was only 84.1. The difference is closer between the state and the nation for those that have a bachelor's degree or higher. The U.S. figure is 27.0 percent compared the 28.6 percent for Utah.

Even bigger differences in educational attainment are apparent when the six Utah counties are compared (see graph). For the population with less than a high school diploma, Weber County is tops with 12.1 percent, and Davis County is lowest with 5.1 percent.

On the other end of the education continuum—the proportion of population with a bachelor's degree or higher—Cache and Utah counties are at the head of the class with 34.2 percent and 34.3 percent respectively. Why is that? It's because both counties

are homes to large universities—Utah State University in Cache and Brigham Young University and Utah Valley University in Utah County. Salt Lake County's bachelor's degree percent is an even 30.0. Washington County has the lowest percentage of population with a bachelor's degree with 19.6 percent. One reason is the population

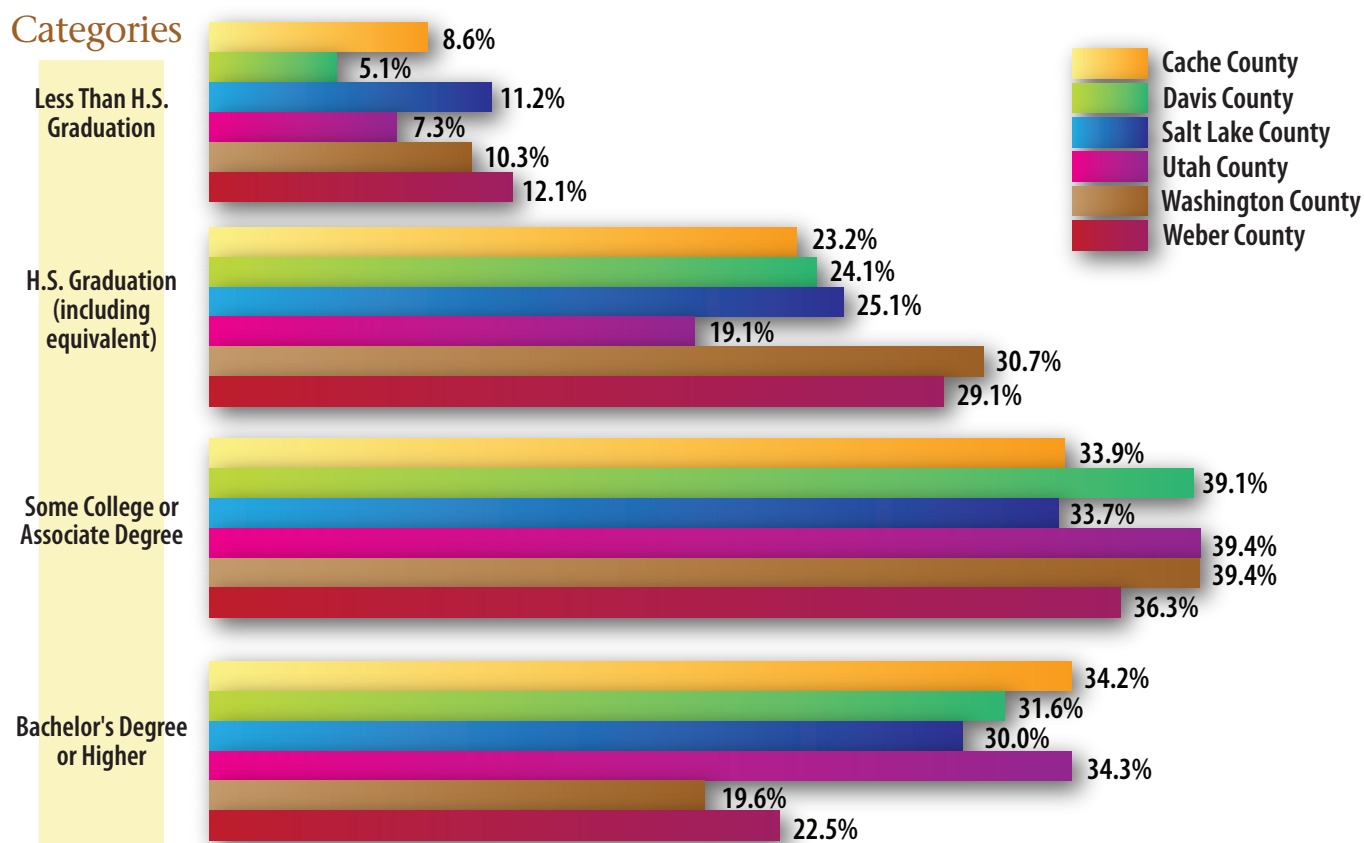
in Washington County is the oldest, with 60 percent of the population age 25 or older.

Most Utahns have some college or an associate degree. The percentages for this education level vary across the counties between a third of the population and 40 percent. Nationally,

26.9 percent of the population has had some college or has an associate degree. Most of the difference is because relatively more Utahns attend some college than in the nation. ⓘ

For information about the ACS or the ACS Factfinder see: http://factfinder.census.gov/home/saff/main.html?_lang=en

Educational Attainment of the Population Age 25+ in Selected Utah Counties 2006



Source: U.S. Census, American Community Survey, August 2008.

LOOK TO THE STARS

Utah's Occupational Projections 2006-2016

The eminent economist, John Kenneth Galbraith, once said, "We have two classes of forecasters: Those who don't know . . . and those who don't know they don't know." I fall in the first category. Despite this fact, here at the Department of Workforce Services, we make an earnest effort to "project" current trends to help our customers (you) with career planning. We release these occupational projections every two years. Our recently released projections cover the years 2006 to 2016.

Instead of just throwing data at your brain, we have developed a system to help those making career decisions determine which jobs show the best employment outlook and the best wages. Be warned! This is not a perfect classification structure. But it does represent our best effort to make our information more user-friendly.

It's in the Stars

We've developed a rating system rather like those movie critics use—stars. These ratings are meant to provide guidance for those seeking high-demand/high-wage positions and are definitely not the final word on the desirability of a particular occupation.



Our “star” rating uses employment outlook and median annual wages. Employment outlook is based 90 percent on the projected number of total Utah job openings between 2006 and 2016 and 10 percent on how fast the occupation is expected to grow over that time period. Keep in mind that even one-star jobs will have openings. (My own occupation rates only two stars.)

It's All about Training

The star ratings are based on rankings within the four following training-level groups.

- Bachelor's Degree or Higher
- Associate Degree or After-High School Applied Technology Training
- Experience in the occupation or Long-Term On-the-Job Training (more than 12 months combined with classroom on-the-job training)
- Moderate/Short-Term On-the-Job Training (less than 12 months combined with potentially some classroom/on-the-job training)

Five-star occupations have the strongest employment outlook and high wages; one-star jobs have the poorest employment outlook and lowest wages, etc. Some occupations are “not rated” because of low employment levels or because they represent “residual” occupations—a grouping of similar occupations. Keep in mind that a five-star occupation in the on-the-job training groups will pay less than a five-star occupation requiring a college education.

Due to space constraints, we can't include the star ratings for the hundreds of occupations in Utah. However, that information and actual data are as close as a few clicks of an internet-connected mouse. (See the link below.) To whet your appetite, this article does include the best of the five-star jobs for each training category. ⓘ

- <http://jobs.utah.gov/jsp/wi/utalmis/gotoOccinfo.do>

Keep in mind that a five-star occupation in the on-the-job training groups will pay less than a five-star occupation requiring a college education.

BEST OF THE FIVE STAR JOBS

Bachelor's Degree or Higher

Chief Executives
Computer and Information Systems Managers
Computer Software Engineers, Systems Software
Dentists, General
Financial Managers
Health Specialties Teachers, Postsecondary
Lawyers
Pharmacists
Sales Managers

Associate Degree or Postsecondary Technical

Cardiovascular Technologists and Technicians
Dental Hygienists
Environmental Science and Protection Technicians
Industrial Engineering Technicians
Medical Equipment Repairers
Occupational Therapist Assistants
Paralegals and Legal Assistants
Registered Nurses
Respiratory Therapists

Long-Term On-the-Job Training or Related Experience

Claims Adjusters, Examiners, and Investigators
Electrical Power-Line Installers and Repairers
Electricians
First-Line Supervisors/Managers of Construction Trades and
Extraction Workers; Mechanics, Installers, and Repairers; Non-
Retail Sales Workers; Production and Operating Workers
Industrial Production Managers
Plumbers, Pipefitters, and Steamfitters
Sales Representatives, Wholesale and Manufacturing

Moderate or Short-Term On-the-Job Training

Advertising Sales Agents
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers
Bookkeeping, Accounting, and Auditing Clerks
Correctional Officers and Jailers
Drywall and Ceiling Tile Installers
Maintenance and Repair Workers, General
Operating Engineers and Other Construction Equipment
Operators
Construction and Maintenance Painters
Pharmacy Technicians
Postal Service Mail Carriers
Roofers
Truck Drivers, Heavy and Tractor-Trailer

Source: Utah Department of Workforce Services

Of Firms Both Large & Small

Everyone knows that small business is the life-blood of the economy, isn't it? Certainly, small business ventures are important to a growing economy. They are often the seedbeds of innovation. However, in trying to measure the contribution of firms or establishments we often look at annual growth, revenue figures, or other similar data to make judgments or comparisons. One way we examine this issue is to look at firm-specific employment and wage levels.

What is the difference between a firm and an establishment? In this context the term "establishment" generally refers to a specific physical worksite for an employer; the actual street location at which business is conducted. The term "firm" is used to identify an employer's total statewide operations. An example would be the multitudinous McDonalds. Your local McDonalds would be considered an establishment, whereas all the Utah McDonalds combined comprise a firm.

The Utah Department of Workforce Services compiles quarterly employment and wage data for non-agricultural firms and establishments in Utah. On the first calendar quarter of each year the employment and wage data is aggregated into ten employment ranges. These categories, based on March employment levels, range from 0 to over 500 workers. Categorizing data in this way provides a useful tool for analyzing certain employment and wage characteristics of Utah employers.




Although the majority of businesses in Utah are small, the contributions of larger business in terms of employment and wages cannot be ignored.

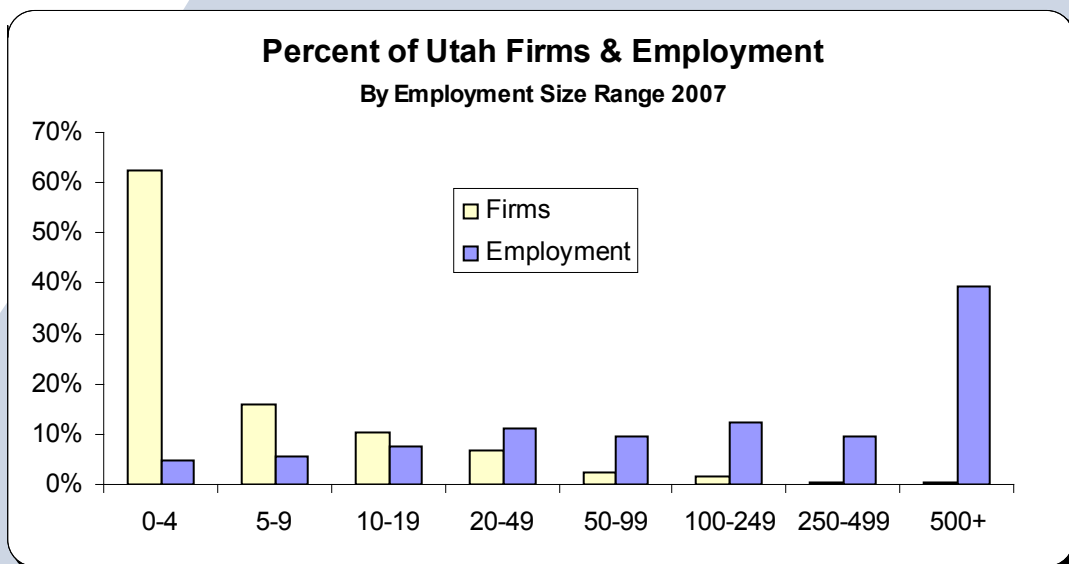
So what kind of things can we learn from reviewing the firm-specific data? Well, approximately 62 percent of firms in Utah employ four or fewer employees, providing 4.8 percent of Utah's total non-agricultural employment, while just 0.4 percent of Utah firms employ 500 or more employees representing 39.3 percent of Utah's total non-agricultural employment. This gives a clear illustration of the relative contribution of different-sized firms in terms of employment and wages provided.

Small businesses are often considered the primary employers, not only in Utah, but across the country. The

truth of that sentiment hinges on the definition of a small business. The Small Business Administration (SBA) generally defines a small business as one with fewer than 500 employees. In Utah that definition isn't practical as it classifies 99.6 percent of all businesses in Utah as small businesses, leaving a miniscule 0.4 percent of firms classified differently. No one is advocating a change to the SBA's definition of a small business. However, we should seek to understand of the limitations of the definition in regard to Utah's data.

With or without using the SBA's definition, it is apparent from this simple analysis that, while the majority of

businesses in Utah are small, the contributions of larger business in terms of employment and wages cannot be ignored. They provide a significant number of jobs considering their relatively small numbers. Of course, this is only one observation from one slice of the data available. Additional information on employment and wages, including breakouts by county and industry are at the following web site: <http://jobs.utah.gov/opencms/wi/pubs/em/ueews/>. 



Rising Unemployment in a

STRESSED

Labor Market

The U.S. economy has been dealing with a series of difficult problems over the past year or so. The ongoing housing and construction bust with falling home values, very high unsold housing inventories, foreclosures, and tight credit conditions have resulted in severe strains on the financial system. Manufacturing employment continues to hemorrhage as the multiyear jobs losses—26 consecutive months of declining employment—mount. In addition the consumer has been battered with high energy and food prices that have eroded purchasing power. Eight consecutive monthly nonfarm payroll jobs losses, totaling 605,000 since December 2007, are pressuring income growth.

With a deteriorating labor market, the unemployment rate crossed a new threshold in August, reaching 6.1 percent—the highest rate of unemployment since September 2003. The unemployment rate reached its lowest point in the current expansion in October of 2006, at a level of 4.4 percent, generally considered “full employment” by many economists. A year ago the rate was still a quite favorable 4.7 percent.

In August 2008, there were an estimated 9,479,000 unemployed—persons who are available to work—having actively looked, unsuccessfully, for a job during the past month. This is an increase of 2,391,000 or 33.7 percent more than

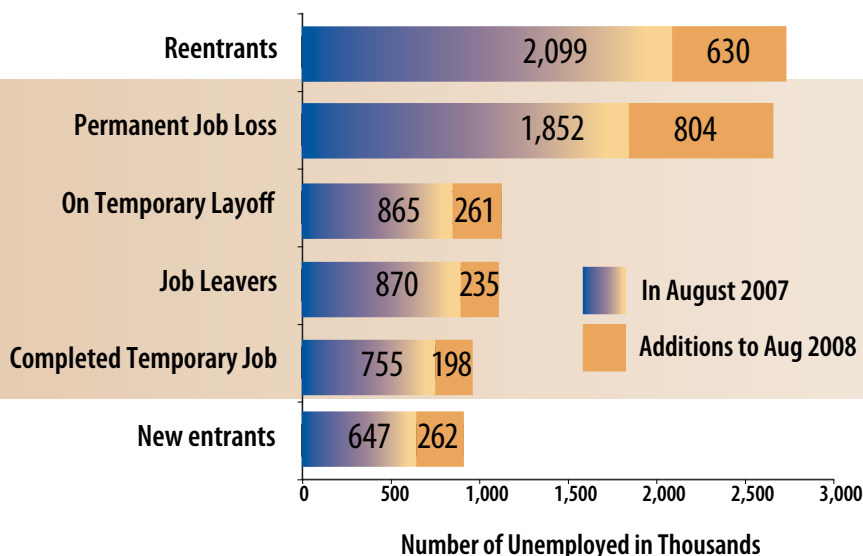
the 7,088,000 unemployed in August of 2007.

As classified by the U.S. Bureau of Labor Statistics (BLS), there are six different reasons or types of unemployment for those currently seeking a job without current work (see graph). The top two reasons for unemployment are re-entrants—those who are looking for work after not choosing to work for pay for some period of time; and those who have suffered a permanent job loss. Together these two types of unemployment account for almost 57 percent of those who are jobless.

The remaining reasons for unemployment include: those on temporary lay-

Reason for Unemployment in the U.S. • August 2008

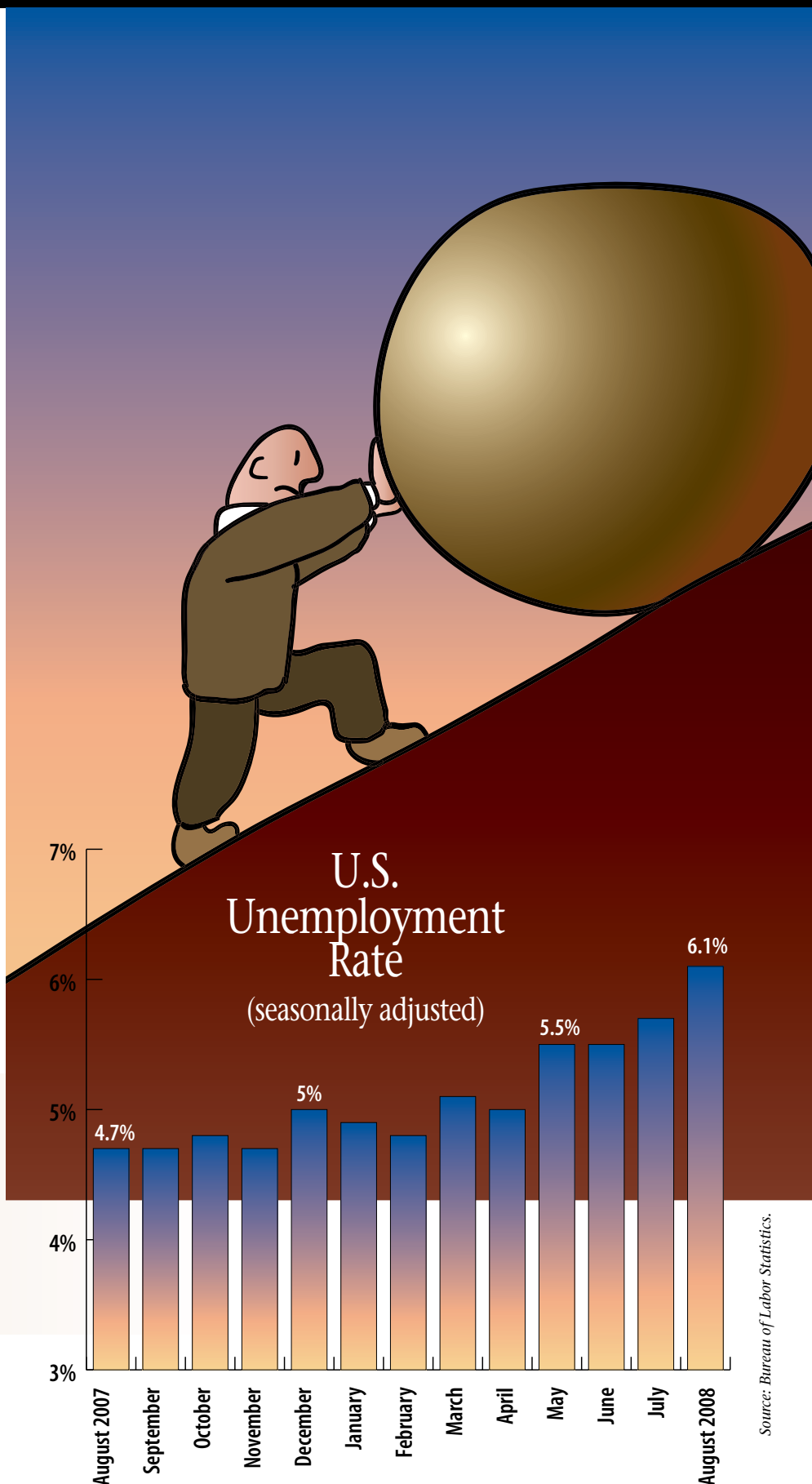
Source: Bureau of Labor Statistics.



off for lack of work and expect to be called back, job leavers, those having completed a temporary job, and new entrants—usually young persons who are seeking employment for the first time.

Increasing slack in the labor market is measured in other ways besides unemployment. BLS tracks discouraged workers, for example—those who want a job but have quit looking because they believe there are no jobs available for them—measured at 381,000 in August 2008. Furthermore, there are part-time workers who want full-time jobs, those who BLS classifies as “part-time for economic reasons,” totaling 5.7 million in August.

As 2008 comes to an end, all of the factors that are weighing negatively on the U.S. labor market seem to be continuing. The serious stresses on consumer and business spending, coupled with a severely strained financial system suggest that further labor market deterioration should be expected. ❶



CONSTRUCTION BLUES:

On and Off the Wasatch Front

The number of permits for new dwelling units was down statewide 52.3 percent in the first six months of 2008.

As the national housing market continues to implode, and Utah's construction industry hemorrhages jobs from month to month, the obvious question that springs to the mind of Utahns who live off the Wasatch Front has to be: what are the implications for our own local construction industry? Unfortunately, the data available doesn't paint the clearest of pictures, but the outlines of what we do see provide some indication of what the future may hold.

Permit(ted) Data

One way to ascertain the future direction of the local construction industry is to examine the construction permits that have been issued. While this is not an exact indicator—you don't actually

have to use your permit—it does allow us to gauge the general mood of the market going forward. By that measure, permit data from the first half of 2008 would appear to place the mood of potential builders in the state between glum and despondent. For example, the number of permits for new dwelling units was down statewide a wrenching 52.3 percent in the first six months of 2008 compared to last year. While the counties off the Wasatch Front did somewhat better, posting only a 49.6 percent decline, that doesn't provide much of a sense of relief.

Nevertheless, the pain was not spread out evenly throughout the non-Wasatch Front region. Southwestern counties—Beaver, Garfield, Iron, Kane,

and Washington—were especially hard hit, posting strong declines in nearly every permit category. The number of dwelling unit permits in the southwest fell roughly 65 percent in the first six months of 2008. Thankfully other areas registered more moderate declines. For example, in the Uintah Basin dwelling unit permits declined by only 13 percent in the same period.

Interestingly enough, Wasatch Front counties actually outperformed the non-Wasatch Front counties when it came to the percentage change in total construction valuation. While the state as a whole saw a 35.2 percent decline in the first six months, off-the-Wasatch-Front counties posted a 41.2 percent decline to the Wasatch

Front counties' 33.1 percent decline. So why the difference? It turns out that the total construction valuation of permits for the Wasatch Front counties was cushioned by fairly strong nonresidential construction permits—well, strong in the sense they didn't show a decline—whereas the rest of the state showed sizeable pullbacks in this important area of construction.

From Permit to Hammer and Nail: Construction Employment Data

If permit data gives us some idea of the future direction of the market, employment data gives us some indication of how things have been going in the last months and years. From the most recent quarter of data

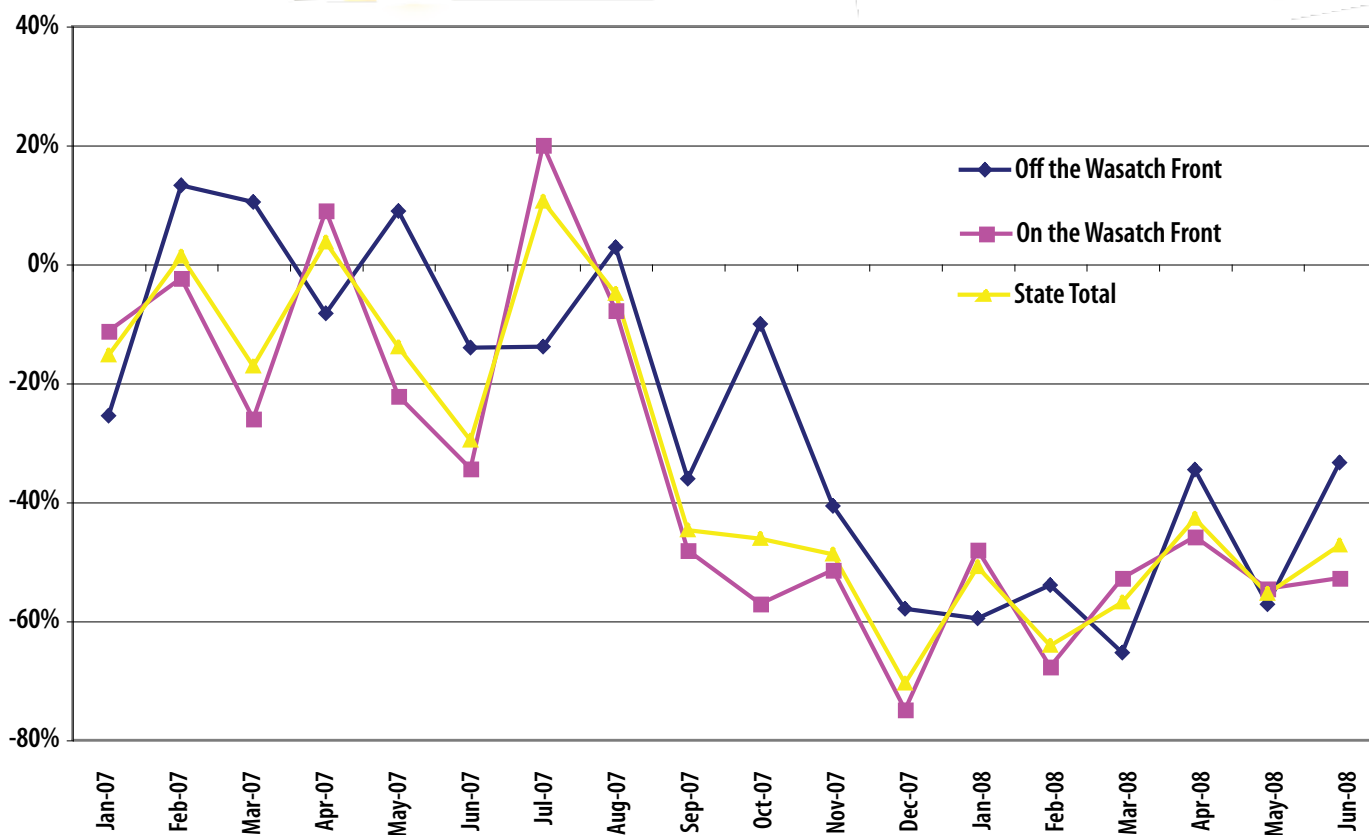
available, first quarter 2008, we can just start to make out the beginnings of a concerted contraction in construction employment statewide. Compared with the same quarter last year, construction jobs statewide fell 6.8 percent, or a loss of nearly 6,700 positions. Thankfully, the counties off the Wasatch Front haven't given up quite that much construction employment. Overall, they have seen a 2.8 percent decline—roughly a 530-job decline. However, nearly that entire 530-job decline is confined to the southwestern counties (part of the reason for this concentration in the southwest is that its construction cycle turned much earlier than the rest of the state.) In fact, of the 20 counties that make up the off-the-Wasatch-Front area, only seven posted year-over

declines in the first quarter of 2008, and four of those are in the southwest.

The Big Picture?

Going forward, the off-the-Wasatch-Front counties will likely continue to see slowing in their local construction industries. This view is reinforced by the current trends in permit data, which show strong declines in both residential and nonresidential construction activity throughout most of the area. Until the overall economic conditions improve and the financial system stabilizes, expect investment in construction projects throughout the region—and the state—to be generally tepid. ●

YEAR-OVER CHANGE IN NEW DWELLING UNIT PERMITS



Source: Author's calculations of data from the Bureau of Economic and Business Research, University of Utah.

Managing

Human Capital

Human resource management is defined in Wikipedia as the “strategic and coherent approach to the management of an organization’s most valuable asset—the people working there who individually and collectively contribute to the achievement of the objectives of the business.” Since the human element has been recognized and is seen as valuable, the asset must be managed. Those duties have been assigned to the human resources (HR) manager.

The HR manager usually reports directly to the general manager and is often part of a company’s strategic planning endeavors. Commonly found in corporations with 100 or more employees, the HR manager is responsible for overseeing HR generalists or specialists who conduct the day-to-day activities of hiring, benefits, training, etc., based on specific goals and policies set by upper management, often in partnership with the HR manager.

Previously known as personnel management, human resource management emphasizes the fact that companies are maximizing the use of their human capital. Reflecting that change, a human resource manager’s duties have moved beyond hiring, paying, and discharging employees into the expanded realms of overseeing staffing, performance appraisals, compensation, benefits, training, development, employee and labor relations, safety and health, and human resource research. Several branches of specialization exist among HR managers, such as compensation and benefits managers, and training and development managers. The broadened scope of this job title recognizes workers as complex contributors to a company’s competitive advantage, each bringing to the workplace strengths and weaknesses that directly impact a company’s bottom line.

This multi-dimensional approach to management assumes that the average worker wants to contribute to the success of the enterprise and that the obstacles that stand in the way are lack of knowledge, insufficient training and failure of

processes. Enter the human resources manager who, armed with a plan and a mandate, will help to ensure the “fit” of an employee to a particular job and maybe, a more solid bottom line.

A bachelor’s degree is generally a minimum requirement for these positions and the course of study can be found in the catalogues of a variety of university programs such as business administration, education, organizational development or public administration. Some higher education and an internship or work-study experience may get an entry-level position. Candidates desiring upper management positions will usually need an advanced degree.

On a personal level, a successful human resources manager would, at a minimum, possess clear communication skills, be able to work with or supervise diverse populations, cope with conflicting points of view, function under pressure and demonstrate fair-mindedness.

In Utah, in the foreseeable future, new job openings for these management positions will be dictated by business growth rather than the need for replacements. ①

A successful human resources manager would possess clear communication skills, be able to work with diverse populations, cope with conflicting points of view, and demonstrate fair-mindedness.



Human Resources

Wages in Salt Lake City

Occupation	Hourly Median	Annual Median
*HR Manager, all other	\$39.85	\$82,890
Training and Development Manager	39.18	81,490
Compensation and Benefits Manager	41.83	87,000

Source: Utah Department of Workforce Services, 2007 data.

**Human Resource Managers who are generalists, without specialization within the field*

Show me the Facts!

Get the County-Level Economic Information You Need Online

There she goes again. Your boss waltzes in your office and wants you to find the unemployment rate for XYZ County to use in a report she is writing. And, by the way, she needs the information yesterday. Googling yields old data or just plain weird web sites you don't trust. Where do you turn?

Fortunately, the Department of Workforce Services web site can ride to your rescue. Our site—jobs.utah.gov—includes a page for each of Utah's 29 counties. These pages are devoted to providing county-level economic and demographic information. (Check the bottom of this article for the entire link.)

Quick and Easy

For a quick start, there's a "fact sheet" for each county. You can see an example of Piute County's fact sheet right here. These fact sheets include frequently requested data items—population, job growth, unemployment rates, income, average wages, construction activity, sales, demographics, and (whew!) largest employers. For many items, the sheets detail five years of historical data. Plus, each fact sheet incorporates a narrative and charts describing that county's most recent annual economic performance.

Got Data?

Are you really a data hound? Do you want an historical perspective on your county? Just click on your county's Economic and Demographic Profile link. Here you'll find a set of graphs outlining important economic indicators and demographics. The graphs are available in PowerPoint and PDF formats. The PowerPoint slides also include comments from a regional economist. Finally, an Excel spreadsheet with historical data can also be downloaded.

There's More!

You can access so much county-level information via these web pages, we can't list it all. But, here's an abbreviated list to pique your interest:

- Detailed Employment Information
- Wages
- Income
- Poverty
- Occupational Outlook
- Equal Employment Opportunity data
- Economic Update (information on projects, new data, closures)
- Major Employers
- Workforce News newsletter (current economic analysis)
- Links to Other Data Sources

Finally, if you can't find the data you need or want, click on the link that allows you to contact the regional economist for that county. This economist is ready and willing to help you locate the information you need. ⓘ

To access this county-level information, go to: <http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>

Are you a data hound?
Do you want an historical perspective on
your county?

**Just click on your county's
Economic and Demographic
Profile link.**



Piute County

2007 Piute County

Numeric Change in Jobs
by Industry

Construction -2

Mining 3

Manufacturing 1

Trade/Trans./Utilities 6

Financial Activities 0

Prof./Business Services 1

Ed./Health/Social Services 1

Leisure/Hospitality 9

Other Services 0

Government 6

Covered Agriculture 0

Source: Utah Department of Workforce Services.

If wisdom comes with age, Piute County is the wisest county in Utah. With a median age of almost 39, Piute County can claim the oldest population in Utah. However, it's not the smallest county in Utah. Although the county includes fewer than 1,400 residents, Daggett County has even fewer. Interestingly, Piute County currently maintains about half the population it did in 1920.

Roughly 16 percent of the county's workers are employed in agriculture. In addition, about 30 percent of its employees commute outside the county borders for employment.

As in many small counties, government (which includes public education) contributes the largest share of the county's nonfarm jobs (more than half).

Piute County managed the third highest job-growth rate in the state during 2007. More than one-third

of the county's new positions were added in leisure/hospitality services.

- Infamous bandit, Butch Cassidy, grew up south of Circleville in Piute County.
- Piute County was split off from Beaver County in 1865.
- The Paiute ATV Trail is a 272-mile-long loop that crosses mountain ranges, rugged canyons and deserts. The trail provides great recreational activities for ATV riders and mountain bikers and is accessible from Circleville and Marysville in Piute County.

For more information about Piute County, see <http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>

just
the
facts...

September 2008 Unemployment Rates

Utah Unemployment Rate	3.5 %
U.S. Unemployment Rate	6.1 %
Utah Nonfarm Jobs (000s)	1,265.4
U.S. Nonfarm Jobs (000s)	137,476.0

August 2008 Consumer Price Index Rates

U.S. Consumer Price Index	219.1
U.S. Producer Price Index	182.1

Changes From Last Year

Up	0.7 points
Up	1.4 points
Up	0.1 %
Down	0.4 %

Source: Utah Department of Workforce Services

August 2008 Seasonally Adjusted Unemployment Rates

Beaver	3.2 %
Box Elder	4.6 %
Cache	2.6 %
Carbon	4.8 %
Daggett	3.4 %
Davis	3.4 %
Duchesne	2.7 %
Emery	3.9 %
Garfield	5.6 %
Grand	5.6 %
Iron	4.4 %
Juab	5.9 %
Kane	4.3 %
Millard	3.1 %
Morgan	3.2 %
Piute	2.4 %
Rich	2.3 %
Salt Lake	3.5 %
San Juan	5.7 %
Sanpete	4.1 %
Sevier	3.9 %
Summit	3.4 %
Tooele	4.2 %
Uintah	2.3 %
Utah	3.4 %
Wasatch	3.5 %
Washington	5.1 %
Wayne	4.7 %
Weber	4.4 %

Watch for these features in our
Next Issue:

Theme:
A Look Forward and Back

County Highlight:
Morgan

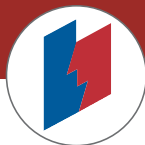
Occupation:
Accountant

Presorted Standard
US Postage
PAID
SLC, UT
Permit # 4621



**Wondering how
much medical
assistant jobs pay in
your area?**

Find out at
jobs.utah.gov
click on Workforce Information



Utah Department of Workforce Services
Workforce Development and Information Division
140 E. 300 S.
Salt Lake City, UT 84111